

**CONSOLIDATED INSURANCE TRUST
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2006**

	August-06					July-06					Current FYTD		Prior Year FY06		3 Years Ended	5 Years Ended
	Allocation		Returns-Month			Allocation		Returns-Month			Returns		Returns		6/30/2006	6/30/2006
	Market Value	Actual	Policy(1)	Gross	Net	Market Value	Actual	Policy(1)	Gross	Net	Gross	Net	Gross	Net	Net	Net
LARGE CAP DOMESTIC EQUITY																
<i>Structured Growth</i>																
Los Angeles Capital	18,833,589	1.4%	1.5%	2.20%	2.18%	18,439,940	1.4%	1.5%	-3.67%	-3.69%	-1.55%	-1.59%	11.36%	11.12%	N/A	N/A
Total Structured Growth	18,833,589	1.4%	1.5%	2.20%	2.18%	18,439,940	1.4%	1.5%	-3.67%	-3.69%	-1.55%	-1.59%	11.36%	11.12%	12.01%	-0.32%
<i>Russell 1000 Growth</i>				3.12%	3.12%				-1.90%	-1.90%	1.16%	1.16%	6.12%	6.12%	8.35%	-0.76%
<i>Structured Value</i>																
LSV	21,032,574	1.6%	1.5%	0.99%	0.96%	20,846,952	1.6%	1.5%	2.06%	2.03%	3.07%	3.00%	15.51%	15.05%	21.14%	12.22%
Russell 1000 Value				1.67%	1.67%				2.43%	2.43%	4.14%	4.14%	12.10%	12.10%	15.70%	6.89%
<i>Russell 1000 Enhanced Index</i>																
Los Angeles Capital	37,759,444	2.9%	3.0%	2.09%	2.07%	37,007,434	2.8%	3.0%	-1.06%	-1.08%	1.01%	0.97%	11.83%	11.58%	N/A	N/A
Russell 1000				2.40%	2.40%				0.22%	0.22%	2.62%	2.62%	9.08%	9.08%	N/A	N/A
<i>S&P 500 Enhanced Index</i>																
Westridge	45,341,207	3.4%	3.0%	2.43%	2.41%	44,294,591	3.4%	3.0%	0.67%	0.65%	3.12%	3.07%	9.07%	8.77%	N/A	N/A
S&P 500				2.38%	2.38%				0.62%	0.62%	3.01%	3.01%	8.63%	8.63%	N/A	N/A
<i>Index</i>																
State Street	14,006,155			2.07%	2.06%	13,725,105			0.86%	0.85%	2.95%	2.93%	9.60%	9.51%	11.47%	2.62%
Total Index	14,006,155	1.1%	1.0%	2.07%	2.06%	13,725,105	1.1%	1.0%	0.86%	0.85%	2.95%	2.93%	9.60%	9.51%	11.47%	2.62%
S&P 500				2.38%	2.38%				0.62%	0.62%	3.01%	3.01%	8.63%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	136,972,969	10.4%	10.1%	2.04%	2.02%	134,314,022	10.3%	10.1%	-0.20%	-0.22%	1.84%	1.79%	11.24%	10.95%	13.63%	3.95%
S&P 500				2.38%	2.38%				0.62%	0.62%	3.01%	3.01%	8.63%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																
<i>Manager-of-Managers</i>																
SEI	41,605,512	3.1%	3.4%	2.40%	2.34%	40,681,494	3.1%	3.4%	-3.49%	-3.55%	-1.17%	-1.29%	14.39%	13.58%	18.20%	7.84%
Russell 2000 + 200bp				3.13%	3.13%				-3.09%	-3.09%	-0.06%	-0.06%	16.86%	16.86%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	41,605,512	3.1%	3.4%	2.40%	2.34%	40,681,494	3.1%	3.4%	-3.49%	-3.55%	-1.17%	-1.29%	14.39%	13.58%	18.20%	7.86%
Russell 2000				2.96%	2.96%				-3.25%	-3.25%	-0.39%	-0.39%	14.58%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																
<i>Large Cap - Active</i>																
Capital Guardian	40,925,764	3.1%	3.1%	3.58%	3.54%	39,551,195	3.0%	3.1%	0.81%	0.77%	4.42%	4.34%	28.68%	28.07%	20.99%	6.90%
LSV	39,456,736	3.0%	3.1%	3.05%	3.02%	38,338,141	2.9%	3.1%	1.27%	1.24%	4.36%	4.29%	27.59%	27.09%	N/A	N/A
Total Large Cap - Active	80,382,500	6.1%	6.2%	3.32%	3.28%	77,889,336	6.0%	6.2%	1.04%	1.00%	4.39%	4.31%	28.21%	27.66%	21.92%	12.63%
MSCI EAFE - 50% Hedged				2.93%	2.93%				0.98%	0.98%	3.94%	3.94%	26.72%	26.72%	22.56%	6.89%
<i>Small Cap - Value</i>																
Lazard	9,536,831	0.7%	0.8%	2.86%	2.80%	9,274,632	0.7%	0.8%	-2.35%	-2.41%	0.45%	0.32%	24.57%	23.65%	28.06%	N/A
Citigroup Broad Market Index < \$2BN				2.90%	2.90%				-2.02%	-2.02%	0.82%	0.82%	29.28%	29.28%	32.40%	N/A
<i>Small Cap - Growth</i>																
Vanguard	9,702,567	0.7%	0.8%	2.39%	2.36%	9,478,698	0.7%	0.8%	-0.47%	-0.50%	1.92%	1.85%	29.77%	29.24%	32.39%	N/A
Citigroup Broad Market Index < \$2BN				2.90%	2.90%				-2.02%	-2.02%	0.82%	0.82%	29.28%	29.28%	32.40%	N/A
TOTAL INTERNATIONAL EQUITY	99,621,898	7.5%	7.8%	3.18%	3.15%	96,642,666	7.4%	7.8%	0.55%	0.51%	3.76%	3.68%	27.95%	27.35%	23.83%	8.67%
MSCI EAFE - 50% Hedged				2.93%	2.93%				0.98%	0.98%	3.94%	3.94%	26.72%	26.72%	22.56%	6.89%
DOMESTIC FIXED INCOME																
<i>Core Bond</i>																
Western Asset	226,211,121	17.1%	16.3%	1.78%	1.76%	222,252,246	17.1%	16.3%	1.67%	1.65%	3.48%	3.45%	-0.70%	-0.90%	7.36%	8.59%
Lehman Aggregate				1.53%	1.53%				1.35%	1.35%	2.90%	2.90%	-0.81%	-0.81%	2.05%	4.97%
<i>Core Plus/Enhanced</i>																
Clifton Group	51,520,304	3.9%	5.4%	1.43%	1.43%	50,763,636	3.9%	5.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Prudential	50,982,527	3.9%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	102,512,831	7.7%	5.4%	1.43%	1.43%	50,763,636	3.9%	5.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				1.53%	1.53%				1.35%	1.35%						
<i>Index</i>																
Bank of ND	98,396,175	7.4%	10.9%	1.05%	1.04%	147,290,443	11.3%	10.8%	1.09%	1.08%	2.15%	2.14%	-1.08%	-1.14%	1.14%	4.90%
Total Index	98,396,175	7.4%	10.9%	1.05%	1.04%	147,290,443	11.3%	10.8%	1.09%	1.08%	2.15%	2.14%	-0.96%	-1.02%	1.09%	4.62%
Lehman Gov/Credit (3)				1.58%	1.58%				1.30%	1.30%	2.90%	2.90%	-1.52%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>																
Wells Capital (formerly Strong)	225,802,818	17.1%	16.3%	1.97%	1.95%	221,520,028	17.0%	16.3%	1.53%	1.51%	3.53%	3.49%	-1.89%	-2.11%	2.63%	N/A
Lehman US Credit Baa				2.02%	2.02%				1.58%	1.58%	3.63%	3.63%	-2.37%	-2.37%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	652,922,945	49.4%	48.8%	1.65%	1.64%	641,826,353	49.3%	48.8%	1.44%	1.43%	3.11%	3.09%	-1.19%	-1.35%	2.25%	5.52%
Lehman Aggregate (4)				1.53%	1.53%				1.35%	1.35%	2.90%	2.90%	-0.81%	-0.81%	1.84%	5.28%
TREASURY INFLATION PROTECTED SECURITIES (TIPS)																
Northern Trust Global Investments	136,852,128	10.3%	10.2%	1.73%	1.73%	136,043,225	10.5%	10.2%	1.60%	1.60%	3.36%	3.35%	-1.49%	-1.53%	N/A	N/A
Western	137,081,797	10.4%	10.2%	1.89%	1.89%	134,464,000	10.3%	10.2%	1.56%	1.56%	3.48%	3.48%	-1.94%	-1.94%	N/A	N/A
TOTAL TIPS	273,933,925	20.7%	20.4%	1.81%	1.81%	270,507,225	20.8%	20.4%	1.58%	1.58%	3.42%	3.41%	-1.72%	-1.74%	N/A	N/A
LB US TIPS Index				1.73%	1.73%				1.63%	1.63%	3.39%	3.39%	-1.64%	-1.64%	N/A	N/A
REAL ESTATE																
JP Morgan	75,249,032	5.7%	5.6%	0.55%	0.45%	74,762,387	5.7%	5.6%	0.00%	-0.10%	0.55%	0.34%	N/A	N/A	N/A	N/A
NCREIF Total Index				1.32%	1.32%				1.32%	1.32%	2.66%	2.66%	18.23%	18.23%	N/A	N/A
CASH EQUIVALENTS																
Bank of ND	42,573,788	3.2%	4.0%	0.45%	0.45%	42,805,006	3.3%	4.0%	0.45%	0.45%	0.90%	0.90%	4.50%	4.50%	2.71%	2.42%
90 Day T-Bill				0.44%	0.44%				0.42%	0.42%	0.87%	0.87%	4.00%	4.00%	2.37%	2.25%
TOTAL INSURANCE TRUST	1,322,880,069	100.0%	100.0%	1.76%	1.74%	1,301,539,153	100.0%	100.0%	0.95%	0.93%	2.73%	2.68%	3.82%	3.61%	6.68%	5.32%
POLICY TARGET BENCHMARK				1.76%	1.76%				1.11%	1.11%	2.89%	2.89%	3.72%	3.72%	6.31%	5.45%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Because each fund within the Insurance Trust has a different policy allocation, the consolidated report reflects a weighted average of all of the funds' policy allocations.

(2) Prior to January 1, 2005, the benchmark was First Boston Convert